WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Priority to Indian farmers' interests in WTO negotiations

864. SHRI KARNENDU BHATTACHARJEE:
SHRI PRAMOD MAHAJAN:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the interest of farmers be kept in mind while negotiating in the second round of WTO negotiations since in India million of farmers depend on agriculture;

(b) whether it is a fact that the developed countries were requested to cut their trade distorting agriculture subsidies by 83 percent and if so, what was their reaction;

(c) what action Government propose to take to safeguard the interests of the farmers; and

(d) whether provisions will be made to safeguard food and livehood securities and rural development?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir.

(b) Towards fulfillment of the objective of the G-20, of which India is a founder Member, to bring down the levels of applied trade-distorting domestic support provided to their farm sector by developed countries, the G-20 has proposed 80% cuts in the overall trade-distorting domestic support by the highest subsidizer, namely, the European Union (EU) Member States, with the United States (US) and Japan attracting cuts of 75%. The EU, in turn, has proposed that it can accept cuts of 70% provided, *inter alia,* US and Japan agree to cut their support by 60%. The US has similarly proposed 60% cuts for itself and for Japan, provided, *inter alia,* the EU is agreeable to a cut of 83%. At the Sixth Ministerial Conference of the WTO held between 13-18 December 2005 at Hong Kong, a declaration was adopted at its conclusion, whose key outcome in this respect is that in a three-band structure for reducing trade-distorting domestic support, the Member with the highest level of permitted support (EU) will be in the top band with the highest cuts, the two Members with second and third highest levels of support (Japan and US) will be in the second band, and all other developed countries and such developing countries that have entitlement to provide Aggregate Measurement of Support (AMS) will be in the lowest band with

the smallest cuts. Furthermore, disciplines will be developed to achieve effective cuts in trade-distorting domestic support.The negotiations are proceeding with a view to establish modalities in agriculture by 30 April 2006, with draft Schedules to be submitted by July 31, 2006, under an overall resolve by WTO Ministers at Hong Kong to complete the Doha Work Programme fully and conclude negotiations in 2006.

(c) and (d) India's overall objectives in the negotiations launched at the Doha Ministerial Conference of the WTO in November 2001 have been to secure a final outcome on agriculture that is consistent with the agreed negotiating mandate for early elimination of all forms of export subsidies, substantial and effective reductions in trade-distorting domestic support, and substantial improvements in market access particularly for products of export interest to developing countries. Simultaneously, it has been agreed that special and differential treatment for developing countries will be integral to all aspects of the negotiations, recognizing that agriculture is of critical importance to the economic development of developing country Members and they must be able to pursue agricultural policies that are supportive of their development goals, poverty reduction strategies, food security and livelihood concerns.

The Hong Kong Ministerial Declaration also included a decision to eliminate export subsidies, which are mainly provided by some developed countries, by 2013, with substantial part in the first half of implementation period and to eliminate cotton export subsidies by developed countries by 2006. Developing countries will continue to benefit from the provisions on marketing and transport subsidies on agricultural exports for five years after the end date for elimation of all forms of export subsidies. On trade-distorting domestic support, the three heaviest subsidizers will attract the steepest cuts also in the reductions in their AMS, and trade-distorting domestic subsidies provided to cotton are to be reduced more ambitiously and over a shorter period of time. Developing countries like India, with no AMS, will be exempt from any cuts on *de minimis* and on overall trade-distorting suport levels. In respect of market access commitments it has been agreed that a four-band tariff reduction formula will be developed. In order to address their food security, livelihood and rural development needs, developing countries to have the flexibility to self-designate an appropriate number of Special Products, whose treastment will be more flexible. In order to safeguard farmers in developing countries against import surges

and adverse global price movements, import quantity and price triggers have been agreed as the core structural elements of the Special Safeguard Mechanism.

The Government has been holding stakeholder consultations to protect and pursue our national interest, interests of the farmers and exporters. Government is committed to safeguard food and livelihood security and rural development needs of India's agricultural sector and to achieve its development imperatives in line with the Doha mandate and subsequent decisions contained in the General Council Decision of August 1, 2004 and the Hong Kong Ministerial Declaration to protect the intersts of all domestic stakeholdes, especially, farmers and exporters.

Expansion of ITPO Chennai

865. SHRI C. PERUMAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Indian Trade Promotion Organisation at Chennai is being expanded;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (c) India Trade Promotion Organisation (ITPO) has as Regional Office at Chennai. There is no proposal for its expansion. However, ITPO has a joint venture with Tamil Nadu Industrial Development Corporation Ltd. (TIDCO). The venture is known as Tamil Nadu Trade Promotion Organision (TNTPO) in which ITPO has 51% share and TIDCO has 49% share. TNTPO manages the Chennai Trade Centre. The Board of TNTPO has approved a proposal for setting up of another exhibition hall.

Discontinuance of subsidy on export of agro-products by US and EU

†866. SHRI RAJ MAHINDER SINGH MAJITHA:

SHRI RAVI SHANKAR PRASAD:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that in the, sixth minister level meeting under WTO, America and European countries had agreed to discontinue subsidy on export of agro-products;

†Original notice of the question was received in Hindi.